

ORIGINAL

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D.C. 20006
(202) 429-7000

ANGELA N. WATKINS
(202) 828-4971

FACSIMILE
(202) 429-7049

November 20, 1998

EX PARTE OR LATE FILED

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W. Room 222
Washington, D.C. 20554

RECEIVED

NOV 20 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Dear Ms. Salas:

Re: Notice of *Ex Parte* Communication
Telephone Number Portability (CC Docket No. 95-116)

Dear Ms. Salas:

On November 19, 1998, Bruce Beard and Michael Bennett of Southwestern Bell Wireless, Richard Quist of Pacific Bell Mobile Services, and I met with David Furth (Wireless Telecommunications Bureau), Blaise Scinto (Common Carrier Bureau/Network Services Division), and Leslie Selzer (Common Carrier Bureau/Network Services Division) regarding the above-referenced docket.

The purpose of the meeting was to highlight issues in support of CTIA's petition for forbearance from the wireless number portability requirement as well as to discuss the issue of number pooling. The points addressed in the meeting are set forth in the attached handout, which was distributed to all of the participants.

In accordance with Section 1.1206(b) of the Commission rules, 47 C.F.R. § 1.1206(b), two copies of this notice are being submitted to the Secretary. Please

No. of Copies rec'd
List A B C D E

0+2

Ms. Magalie Roman Salas
November 20, 1998
Page 2

stamp and return the attached duplicate for our records. If you have any questions, please contact me at the above-referenced number.

Sincerely,



Angela N. Watkins

Enclosure

cc: David Furth
Blaise Scinto
Leslie Selzer

Wireless Number Portability Forbearance Petition

SBC WIRELESS INC.

NOVEMBER 19, 1998

CTIA PETITION FOR FORBEARANCE

- Filed Pursuant to Section 10 of the Communications Act
- Forbearance must be consistent with the public interest
- Will forbearance promote competitive market conditions, including competition among providers of telecommunications services

PREMISE FOR IMPOSING WIRELESS NUMBER PORTABILITY HAS BEEN PROVEN FALSE

- Rationale for Number Portability--facilitate entry of new service providers--provide incentives for incumbents to lower prices and increase service choice and quality
- Competition in CMRS has been increasing dramatically without number portability
- Prices continue to drop without number portability--
Average Local Monthly Bill in 1994 was \$58.65--1997 was \$43.86 (CTIA Survey)
- Analysts predict availability of PCS to 170 million people by year end
- Increased focus on customer service reported

SBC Wireless PCS Licenses

- Pacific Bell Mobile Services in California and Nevada and Southwestern Bell Wireless in Tulsa, Oklahoma
- PBMS holds PCS licenses for San Diego, San Francisco, Los Angeles
- Includes Sacramento and Las Vegas
- PBMS Encompasses over 31 Million Pops

PBMS Experience--Wireless Number Portability Isn't Needed

- Customer growth continues to exceed expectations
- Personal end users are insensitive to number changes
- Corporate End users look at a variety of factors
- Marketing and Distribution factors are true drivers of competition

Customer Growth

- Pacific Bell Wireless has over 639,000 customers
- Substantially exceeds pre-start up estimates

PBMS Experience-Personal End Users are Insensitive to Number Changes

- We estimate 60% convert from other providers
- Price, features, benefits drive purchase decision
- Outbound calls still 70-80% of total
- Area code changes desensitize users

PBMS Experience-Corporate End Users Look at other Factors

- RFP's have become more sophisticated
 - Number changes rarely more than a minor point
- Large accounts have switched
 - PG&E, State of California
- Specialized corporate account teams

PBMS Experience--Marketing and Distribution drives Competition

- Average drop in price per minute
 - Demand is elastic
- Features and benefits attract consumers

Pacific Bell Wireless Doesn't need Number Portability

- We have been successful without it
- We have seen no evidence of consumer demand for it
- Time, resources and money is better spent on things we really need to compete--build-out, marketing and customer service
- As a new entrant--number portability is extremely low on our list of what we need to compete effectively

FORBEARANCE WILL ENHANCE COMPETITION

- New entrants overwhelmingly agree--forbearance will enhance competition
- Resources better spent building out networks and marketing service
- Experience demonstrates that new entrants are attracting significant number of customers without number portability
 - PrimeCo Reports 50% of all new customers were previously subscribers of another provider
 - Andersen Consulting found wireless customers switch at annual rate of 30%

FACILITY BASED COMPETITORS, OLD AND NEW, OVERWHELMINGLY SUPPORT FORBEARANCE

- PrimeCo
- Sprint PCS
- Personal Communications Industry Association
- American Mobile Telecom. Assoc., Inc..
- GTE Service Corporation
- CTIA
- Century Cellunet, Inc.
- 360
- Southwestern Bell Mobile Systems/Pacific Bell Mobile Services
- Bell Atlantic Mobile, Inc.
- Rural Telecommunication Group
- Airtouch
- United States Cellular
- Upstate (N.Y.) Cellular Network

RESELLERS OPPOSE FORBEARANCE

- MCI
- WORLDCOM
- TELECOMMUNICATIONS RESELLERS ASSOCIATION
- Opposition is not surprising--Resellers not faced with the redesign and reengineering associated with wireless number portability in a facilities based environment

CONCERNS REGARDING IMPACT ON NUMBER ADMINISTRATION ARE UNWARRANTED

- Forbearance will not detrimentally impact number administration
- Efficiencies available through pooling--assigning numbers in less than full NXXs
- Pooling requires ability to participate in local number portability

CMRS POOLING IS NOT CRITICAL TO EFFICIENT NUMBER ADMINISTRATION

- Can implement pooling without CMRS participation
- Primary basis for pooling is CLECs claimed need to emulate LEC rate centers-need NXX presence in each rate center
- CMRS providers do not need to emulate landline rate center-use not bound by landline rate centers
 - CMRS carriers use numbers more efficiently assign anywhere within service area-will continue to efficiently use full NXXs-normally 70-80%

Wireless' Contribution to Pooling Is Basically Non-Existent

- Wireless will be contributing/drawing from very few pools
- LERG Information California, Nevada, Texas, Missouri, Oklahoma, Kansas and Arkansas
 - Average # landline rate centers in NPA in California 31; SWBT 118
 - 75% of NPAs Cellular/PCS carriers use only one primary rate center
 - 97% of NPAs Cellular/PCS use 3 or fewer rate centers

PETITION FOR FORBEARANCE SHOULD BE GRANTED

- Lack of Number Portability is not hindering ability of new competitors to compete
- PBMS Experience-Number Portability is Not Essential--Detrimental
- Forbearance will not Detrimentally Effect Number Pooling Efforts
- Commission Should Revisit Decision to Order Number Portability